

§ 74.26

days, the Secretary informs the recipient in writing of the date when the recipient may expect the decision.

(Approved by the Office of Management and Budget under control number 1880-0513)

(Authority: 20 U.S.C. 1221e-3, 3474; OMB Circular A-110)

[59 FR 34724, July 6, 1994, as amended at 60 FR 6660, Feb. 3, 1995]

§ 74.26 Non-Federal audits.

(a) Recipients and subrecipients that are institutions of higher education or other non-profit organizations are subject to the audit requirements contained in OMB Circular A-133—Audits of Institutions of Higher Education and Other Non-Profit Institutions.

(b) State and local governments are subject to the audit requirements contained in the Single Audit Act (31 U.S.C. 7501-7) and the ED regulations implementing OMB Circular A-128—Audits of State and Local Governments.

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(c) Hospitals not covered by the audit provisions of OMB Circular A-133 are subject to the audit requirements established by the Secretary.

(d) Commercial organizations are subject to the audit requirements established by the Secretary or the prime recipient as incorporated into the award document.

(Authority: 20 U.S.C. 1221e-3, 3474; OMB Circular A-110)

§ 74.27 Allowable costs.

(a) For each kind of recipient, there is a set of cost principles for determining allowable costs. Allowability of costs are determined in accordance with the cost principles applicable to the entity incurring the costs, as specified in the following chart.

(NOTE: OMB circulars are available from the Office of Management and Budget, Publication Office, Room 2200, New Executive Office Building, Washington, DC 20503 (202) 395-7332.)

For the cost of a—	Use the principles in—
Private nonprofit organization other than (1) An institution of higher education; (2) a hospital; or (3) an organization named in OMB Circular A-122 as not subject to that circular.	OMB Circular A-122.
Educational institution	OMB Circular A-21.
Hospital	Appendix E to 45 CFR part 74.
Commercial for-profit organization other than a hospital and an educational institution.	48 CFR part 31 Contract Cost Principles and Procedures or uniform cost accounting standards that comply with cost principles acceptable to ED.

(b) The cost principles applicable to a State, a local government, or Federally recognized Indian tribal government are specified at 34 CFR § 80.22.

(Authority: 20 U.S.C. 1221e-3, 3474; OMB Circular A-110)

§ 74.28 Period of availability of funds.

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Secretary.

(Authority: 20 U.S.C. 1221e-3, 3474; OMB Circular A-110)

PROPERTY STANDARDS

§ 74.30 Purpose of property standards.

Sections 74.31 through 74.37 establish uniform standards governing manage-

ment and disposition of property furnished by ED whose cost was charged to a project supported by a Federal award. Recipients shall observe these standards under awards. The Secretary does not impose additional requirements, unless specifically required by Federal statute. The recipient may use its own property management standards and procedures provided it observes the provisions of §§ 74.31 through 74.37.

(Authority: 20 U.S.C. 1221e-3, 3474; OMB Circular A-110)

§ 74.31 Insurance coverage.

Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be